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May 4, 2006

**VIA E-FILE**

Ms. Monica Mosley  
Office of the Clerk  
United States District Court for  
the District of Delaware  
Lock Box 18, 844 King Street  
Wilmington, DE 19801

**Re: In re: YES! Entertainment Corporation  
C.A. Nos. 06-00154 and 06-00155-UNA**

Dear Monica:

This is to advise the Court that I have met with the parties and they have agreed upon the terms of the settlement, which has yet to be executed.

If I can be of further assistance, please let me know.

Respectfully submitted,



Richard G. Elliott, Jr. (F.D. No. 687)

RGE:krr

cc: Denise Seastone Kraft, Esquire (by E-File)  
Marc Stephen Casarino, Esquire (by E-File)